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REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Report by the Secretary-General of UNCTAD

Executive summary

Section I contains an overview of the activities carried out in 1998, indicating trends in delivery and in the mobilization of resources. Delivery, overall, declined in 1998 by 7 per cent from the level in 1997, to slightly less than US$ 22 million, of which less than 37 per cent was directed towards the least developed countries, another small decrease from the previous year. Trust fund contributions were up in 1998, implying an increase in activities in the current year. There was little change in the programmatic distribution of UNCTAD's technical cooperation, but the regional distribution worsened, with less than 5 per cent of all activities carried out in Latin America and the Caribbean. Cooperation with other organizations continued to develop satisfactorily. Section II reviews activities in the least developed countries. Section III covers cooperation with other executing agencies and organizations as regards technical cooperation, as well as UNCTAD's involvement in the work of the United Nations Development Group. Section IV reviews the utilization of capacities from developing countries in UNCTAD's technical cooperation activities. Section V deals with the issue of the financial sustainability of selected technical cooperation programmes. Section VI includes some proposals to simplify the rolling three-year technical cooperation plan. Finally, the report provides information on the evaluation of technical cooperation programmes undertaken in 1998. Annex I provides a programme-by-programme review of activities undertaken in 1998, and annex II provides statistical information on UNCTAD's technical cooperation.

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INTRODUCTION

1. This report seeks to facilitate the Trade and Development Board's annual policy review of the technical cooperation activities of UNCTAD, which is undertaken in accordance with paragraph 107 (b) of "A Partnership for Growth and Development" (TD/378/Rev.1), adopted at UNCTAD IX.

2. The report will also be submitted to the Working Party on the Medium-term Plan and the Programme Budget for its forthcoming review of the technical cooperation activities undertaken by UNCTAD in 1998. The results of the Working Party's review will be before the Board.

I. OVERVIEW OF ACTIVITIES IN 1998

A. Trends in delivery

3. UNCTAD's total technical cooperation expenditures from all sources amounted in 1998 to US$ 21.8 million, a decrease over the previous year of around 7 per cent. Overall, the level of annual expenditures in nominal terms in the 1990s has been maintained at around US$ 20–24 million. Funding provided by the United Nations Development Programme (UNDP) and trust funds declined in 1998, in roughly similar proportions (see table 1).

Table 1
UNCTAD's total expenditures on technical cooperation
and source of funds, 1990–1998
(in millions of US$)

	1990	1994	1995	1996	1997	1998
UNDP	17.4	10.8	7.8	6.1	6.8	6.0
Trust funds	3.6	10.0	13.4	15.8	16.1	15.2
Regular programme	0.6	0.5	0.8	0.5	0.4	0.6
Total	**21.6**	**21.3**	**22.0**	**22.4**	**23.3**	**21.8**

Table 2

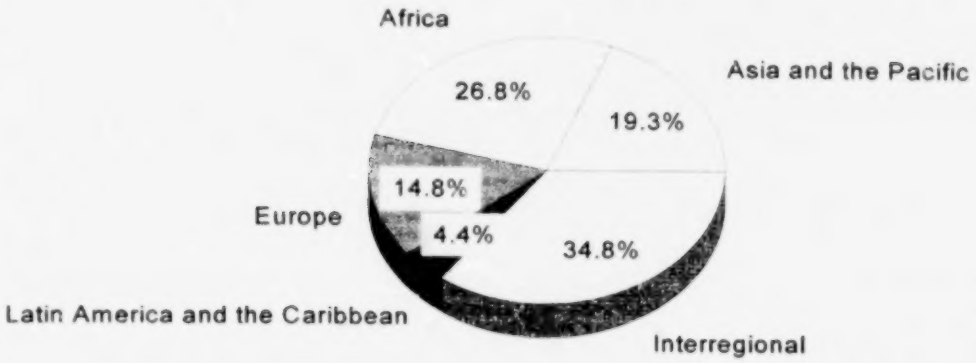
Technical cooperation expenditure, 1995-1998:
by LDCs, by region and by programme
(in thousands of US$)

	1995	1996	%	1997	%	1998	%
Total	**21 953**	**22 440**		**23 289**		**21 833**	
LDCs	**6 018**	**6 988**	**31.1**	**9 417**	**40.4**	**8 212**	**37.6**
By region:							
Africa	5 232	5 724	25.5	7 839	33.7	5 864	26.9
Asia and The Pacific	3 157	2 788	12.4	3 905	16.8	4 208	19.3
Latin America and The Caribbean	2 512	1 978	8.8	1 407	6.0	953	4.4
Europe	2 949	3 421	15.2	2 526	10.8	3 227	14.8
Interregional	8 103	8 529	38.0	7 626	32.7	7 606	34.8
By programme:							
Globalization and Development Strategies	2 590	2 889		3 442		3 070	
International Trade in Goods and Services, and Commodities	2 653	3 008		2 955		2 968	
Investment, Technology and Enterprise Development	2 180	2 812		2 859		2 918	
Services Infrastructure for Development and Trade Efficiency	11 528	12 536		12 981		11 377	
Least Developed, Landlocked and Island Developing Countries	427	163		491		432	
Executive Direction and Management, and Support Services	2 570	1 032		562		1 067	

4. Table 2 provides information on expenditure for the least developed countries (LDCs) and on regional and programme shares, for the period 1995-1998. The LDCs' share in 1998 was 37.6 per cent of total expenditure on technical cooperation, down from about 40 per cent in 1997.

5. Figure 1 shows the distribution of expenditure by region. In absolute terms, expenditure in the African region and the Latin American and the Caribbean region decreased in 1998, the latter to a new low of less than 5 per cent. Activities in Asia and the Pacific and in the Eastern European transitional economies registered increases. The share in total expenditure of interregional projects increased in 1998 from the 1997 level.

Figure 1: Expenditure by region, 1998



6. Table 3 details 1998 expenditure by programme, according to the present structure of the secretariat. The Division for Services Infrastructure for Development and Trade Efficiency (SITE) continues, as in previous years, to account for the largest share of the implementation of UNCTAD's technical cooperation, accounting in 1998 for 52.1 per cent of total technical cooperation expenditure. The three other divisions – the divisions on International Trade in Goods and Services, and Commodities (DITC), Globalization and Development Strategies (GDS) and Investment, Technology and Enterprise Development (DITE) – represented respectively 13.6, 14.1 and 13.4 per cent of total expenditure. The balance (6.9 per cent) was represented by the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries (2.0 per cent) and by activities reported for the secretariat as a whole (Executive Direction and Management – EDM – 4.9 per cent).

7. Within SITE, the programme on customs reform and automation (ASYCUDA) accounted in 1998 for about 47 per cent of the division's total expenditure of about US$ 11 million. This programme continues to attract demand from potential beneficiary countries, and is supported by a broad range of donors. Several projects for customs reform and automation were initiated in 1998. Other significant SITE activities included, as in earlier years, the trade competitiveness of small and medium-sized enterprises (the Global Trade Point Network), the development and implementation of the Advance Cargo Information System (ACIS) programme, the TRAINMAR programme and the TRAINFORTRADE programme.

8. DITC's technical cooperation continues to focus on strengthening the trade capacities of developing countries, providing assistance in dealing with international trading system issues,

Table 3
Technical cooperation activities, by Division/Programme, 1998:
expenditure as at 31 December 1998
(in thousands of US$)

Division	1998				
	UNDP (1)	Trust Funds (2)	Regular Programme (3)	Total (1+2+3)	%
GDS: Total	**1 008**	**2 062**	-	**3 070**	**14.1**
Macroeconomic and development policies	23	324	-	347	1.6
Globalization, development and debt management	786	1 711	-	2 497	11.4
of which: DMFAS Programme	*753*	*1 613*	-	*2 365*	*10.3*
Special programmes	199	27	-	227	1.0
DITC: Total	**1 133**	**1 836**	-	**2 968**	**13.6**
Trade analysis and systemic ssues	930	1 091	-	2 022	9.3
Commodities	57	96	-	153	0.7
Trade, environment and development	152	308	-	460	2.1
Competition law and policy consumer protection	-7	340	-	334	1.5
DITE: Total	**418**	**2 500**	-	**2 919**	**13.4**
International investment, transnationals and technology flows	57	734	-	790	3.6
National innovation and investment policies	255	541	-	796	3.6
Enterprise development	107	1 226	-	1 332	6.1
SITE: Total	**3 245**	**8 132**	-	**11 377**	**52.1**
Trade infrastructure	2 364	6 554	-	8 918	40.8
of which: Transport	*745*	*2 845*	-	*3 590*	*16.4*
ASYCUDA	*1 619*	*3 558*	-	*5 328*	*24.4*
Business facilitation	22	223	-	245	1.1
Services for development	617	822	-	1 440	6.6
of which: TRAINMAR	-	345	-	345	1.6
TRAINFORTRADE	617	263	-	881	4.0
Trade Point Programme	242	532	-	774	3.5
LDC: Total	**25**	**407**	-	**432**	**2.0**
EDM: Total	**169**	**286**	**611**	**1 067**	**4.9**
Grand total	**5 998**	**15 224**	**611**	**21 833**	**100.0**

training and human resource development, and trade information. Most of these activities are associated with assisting countries in the implementation of various outcomes of the Uruguay Round with the objective of maximizing the benefits to developing countries of the new trading system and ensuring their smooth integration into the world economy. A number of countries, including Algeria, Belarus, Cambodia, China, Jordan, Kazakhstan, Nepal, the Russian Federation, the Sudan and Viet Nam, were assisted in 1998 in the process of their accession to the World Trade Organization (WTO). There was further dissemination of the CD-ROM database on trade-control measures.

9. Work in the area of commodities continues to cover such issues as advice and training on commodity price risk management, the promotion of commodity exchanges in developing countries and the sustainable management of natural resources. Expanded assistance in trade-related environment and competition issues was provided in 1998.

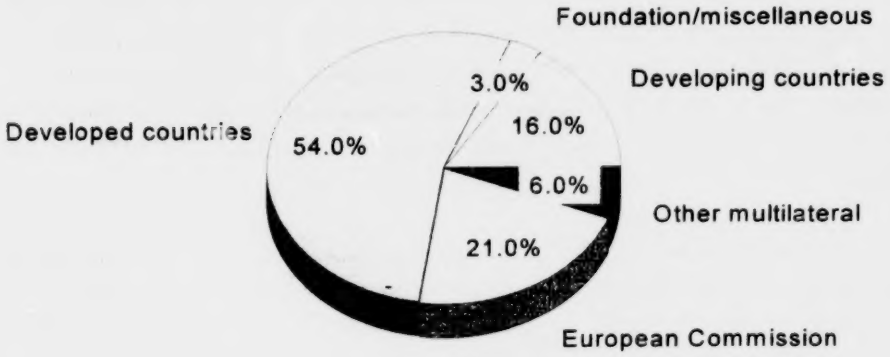
10. Support for debt management, including through the promotion and installation of the Debt Management and Financial Analysis System (DMFAS) programme, continues to constitute the bulk of technical cooperation of GDS. In 1998 it again represented no less than 81 per cent of the technical cooperation activities of GDS, or 11.4 per cent of UNCTAD's total technical cooperation activities for that year. DMFAS activities, which continue to be strongly supported by beneficiaries and donors, focused on the installation of DMFAS 5.0 in eight countries, some of which received (in the second half of 1998) DMFAS 5.1, which incorporates new features linked to the analytical functions of debt management.

11. Other GDS activities carried out in 1998 included work on a global greenhouse gas emissions trading system, portfolio investment and coordination of assistance to the Palestinian people on international monetary and financial issues and development integration.

12. As in 1997, DITE's technical cooperation activities in 1998 were carried out within the framework of three subprogrammes, namely, international investment, transnationals and technology flows (27.1 per cent of the division's activities), national innovation and investment policies (27.3 per cent) and enterprise development (45.6 per cent). Activities under the first component included work on the preparation of the *World Investment Report*, on the link between foreign direct investment and trade in services, and on identifying and assessing the implications for development of issues relevant to a possible multilateral framework for investment.

13. Under the second component, national innovation and investment policies, UNCTAD continued in 1998 to assist interested countries in attracting foreign investment through training and advice on specific investment issues (such as the regulatory framework) and undertook policy reviews on investment and on technology and innovation. Components of the FORINVEST programme were implemented in Albania, Bangladesh, Bolivia, the Gambia, India, the Sudan, Uganda and the Palestinian territory. Other components of other subprogrammes such as

Figure 2: Expenditure by source of funds, 1998



TRANSACT, STAMP and science, technology and innovation policy (STIP) reviews were implemented in other countries. Under enterprise development, activities continued to focus in 1998 on the further expansion of the EMPRETEC programme aimed at promoting entrepreneurship and fostering links between small and medium-sized enterprises and foreign companies. Assistance under accountancy provided training for the staff of public and private sector enterprises, particularly in countries with economies in transition, in implementing accurate auditing laws and standards according to internationally accepted accounting principles. To create an enabling environment for the passage of the model accounting legislation, several regional accounting workshops were organized in 1998, in Brazil, Egypt and Thailand. In all, 200 participants attended the workshops, which were aimed at improving the financial accounting and reporting by enterprises for the benefit of external users of financial statements.

B. Trends in the mobilization of resources

14. UNCTAD's technical cooperation activities continue to be financed from three main sources: trust funds, UNDP and the United Nations regular programme for technical cooperation. The reversal of the decline in the level of UNDP funding observed last year was not maintained; UNDP support dropped in 1998 to a new low of only US$ 6 million.

15. Trust fund contributions are provided on a voluntary basis by individual Governments, non-governmental organizations, the enterprise sector and foundations. Table 4 (see also annex II for the complete list of contributors) shows the evolution in trust fund contributions, by category, over the last few years. More than 40 Governments and a score of organizations contributed to UNCTAD trust funds in 1998. About 54 per cent of trust fund contributions came from developed countries.

Table 4
UNCTAD trust fund contributions (1992-1998) [a]
(in thousands of US$)

Category	1992	1993	1994	1995	1996	1997	1998	(% *of total*)
Developed countries' contributions	8 252	7 856	10 860	10 906	12 732	5 991	**9 373**	*(54%)*
(of which associate experts)	*(784)*	*(632)*	*(536)*	*(672)*	*(518)*	*(873)*		
Developing countries - general contribution	42	174	190	218	1 012	996	**624**	*(4%)*
Developing countries - self sustained [b]	396	990	2 686	2 096	2 229	1 092	**2 070**	*(12%)*
European Commission	1 595	444	1 780	4 123	5 634	3 821	**3 527**	*(21%)*
Other multilateral [c]	-	408	888	297	272	905	**1 055**	*(6%)*
Foundations/miscellaneous	130	249	195	243	135	464	**557**	*(3%)*
Total	**10 415**	**10 121**	**16 599**	**17 883**	**22 014**	**13 270**	**17 207**	

[a] Exclusive of third-party cost-sharing contributions through UNDP.

[b] For activities in their own countries, financed from government resources or through loans from the World Bank and regional development banks.

[c] World Bank, the United Nations, the Food and Agriculture Organization of the United Nations (FAO), the Organisation for Economic Co-operation and Development (OECD), the United Nations Environment Programme (UNEP) and the United Nations Industrial Development Organization (UNIDO).

16. Trust fund contributions increased to US$ 17.2 million in 1998 from the previous year's low of US$ 13.3 million but the overall level remains below the 1996 peak of US$ 22 million. The bulk of the contributions still come from a few donor countries and it is desirable, for obvious planning reasons, that the contributions should come from as many different donors as possible, so that their level can be maintained while the probabilities of variations are minimized.

17. Developing countries' contributions to UNCTAD's technical cooperation amounted to 16 per cent of the total in 1998 (US$ 2.7 million). These contributions took the form of either general support for other developing countries or self-financing arrangements involving the provision of specified services (e.g. ASYCUDA) by UNCTAD in their countries. Such services are generally financed by utilizing the proceeds of loans or grants from the World Bank or the regional development banks.

II. ACTIVITIES REGARDING THE LEAST DEVELOPED COUNTRIES

18. In accordance with the strategy on technical cooperation adopted by the Board in 1997, priority is given to the least developed countries (LDCs). In overall terms, about 37 per cent of total activities benefited LDCs (see annex II, table 4). The programme narratives in annex I (TD/B/46/3/Add.1 - TD/B/WP/117/Add.1) provide information on this matter.

19. The Trust Fund for LDCs has reached the target established in 1997 of US$ 5 million in contributions. Table 5 provides information on the source of contributions and on the allocation of "earmarked" and "unearmarked" contributions.

20. UNCTAD has also participated in the follow-up to the Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building, to Support Least Developed Countries in Their Trade and Trade-Related Activities, adopted by WTO at its High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development in October 1997 and subsequently endorsed by the Trade and Development Board in 1998.

21. UNCTAD took an active part in the preparatory process leading up to the High-level Meeting, and in designing the Integrated Framework itself, together with the other five core agencies (the International Monetary Fund (IMF), the International Trade Centre UNCTAD/WTO (ITC), UNDP, the World Bank and WTO).

22. In 1997 and 1998, UNCTAD assisted several LDCs (including Cambodia, Solomon Islands and Vanuatu) in preparing their needs assessments under the Integrated Framework. During the same period, UNCTAD prepared, along with the other agencies, the integrated responses to those needs. By early 1999, the integrated responses had been prepared for 40 of the 48 LDCs. As regards the following step in the Integrated Framework, namely the holding of country round-table meetings, UNCTAD sent missions to the Gambia, Haiti and the Sudan to assist in this process. It participated in the Uganda trade-related meeting in December 1998.

23. An important aspect of the Integrated Framework concerns inter-agency coordination. This is done on a day-to-day basis, but is formally undertaken in the Inter-Agency Working Group, consisting of representatives of the six core agencies. UNCTAD has attended all the meetings of the Working Group (15 in 1997-1998, 10 of which preceded the High-level Meeting). In 1999, UNCTAD seconded a senior economist to work with the Administrative Unit of the Integrated Framework, to help to catalyse the process.

Table 5

Pledges/contributions to the Trust Fund for Least Developed Countries
(in US$, as at June 1999)

Contributions			Allocations	
Country	**Announced**	**Received**	**Earmarked**	**Unearmarked (INT/97/A09)**
China	$100 000			$100 000
Cyprus		$3 000 (1997)		$3 000
Finland		$181 580 (1998) $388 825 (1998)	Investment guides in LDCs ($194 412)	$181 580 $194 412
France		$251 699 (1997) $251 295 (1998)	- CAPAS (Djibouti, Mali, Zambia) (1997: $82 781) - Activities in Madagascar (1997: $84 459) - Activities in Haiti: negotiations for entry into CARICOM (1998: $30 000) - Activities in Vanuatu: (1998) (a) establishment of a trade point ($30 000) (b) investment ($30 000) (c) vulnerability profiles ($8 495) - Investment guides ($152 800) - UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP) (1997: $84 459)	
Ghana		$50 000 (1997)		$50 000
India		$100 000 (1997)		$100 000
Ireland		$199 444 (1997)	JITAP: $70 000 (1998) $68 500 (1999)	$199 444
Netherlands		$956 410 (1997)	Follow-up and implementation of measures in favour of LDCs adopted by major global conferences ($956 410)	
Norway		$585 000 (1997) $704 515 (1998) [a]	- DMFAS (1997: $112500 1998: $112 500) - Multilateral framework for investment (1997: $112 500; 1998: $25 000) - TRAINFORTRADE (1997: $75 000) - World Investment Report (1998: $50 000) - LDCs investment guides (1998: $100 000) - Building capacity in LDCs to attract foreign investment through venture funds (1998: $133 000) - Biotrade initiative (1997: $50 000; 1998: $50 000) - Competition policies ($125 000)	$109 015 (1998)
Portugal		$100 000	TRAINMAR in lusophone African countries ($20 000)	$80 000
Republic of Korea		$100 000 (1997)		$100 000
Sweden		$165 013 (1997)	Activities related to four LDCs (Benin, Burkina Faso, Uganda and the United Republic of Tanzania) within the framework of JITAP ($165 013)	
Switzerland		$1 000 000 (1998)	- LDC participation in World ASYCUDA Meeting (Manila, March 1998) ($164 000) - JITAP (Uganda) ($440 000)	
Total	**$100 000**	**$5 036 781**	**$3 526 829**	**$1 117 451**

[a] This includes $1,144 and $7,871 transferred from other projects.

III. PARTNERSHIP WITH OTHER ORGANIZATIONS

24. UNCTAD works closely with UNDP, ITC and the United Nations Office for Project Services, the World Bank, WTO, IMF, the regional economic commissions and the Department for Development Support and Management Services of the United Nations, FAO, UNIDO, the International Labour Organization (ILO) and the International Maritime Organization (IMO). It collaborates with a wide range of economic cooperation organizations, including OECD and regional integration groupings of developing countries, and with a number of national and international non-governmental organizations. Annex I to this report (TD/B/46/3/Add.1 - TD/B/WP/117/Add.1) provides information on activities carried out in cooperation with these organizations.

25. Particular attention is drawn to:

(a) The launching of the Common Trust Fund to support the implementation of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries (JITAP), and in the follow-up to the Integrated Framework, in which cooperation has been particularly enhanced with ITC and WTO;

(b) Increased cooperation with UNDP, UNIDO and UNEP, which has been enhanced following the signature of memoranda of understanding with them (the report by the Secretary-General of UNCTAD submitted last year (TD/B/45/6) provides a detailed analysis of the objectives of such cooperation); and

(c) The continued development of cooperation with all five regional commissions of the United Nations.

26. The programme on the impact of globalization on sustainable human development implemented by UNCTAD and UNDP is helping a group of low-income countries to develop the policy and institutional tools necessary for successful integration. The challenge is to build local capacity to exploit the opportunities and minimize the risks. Factors inhibiting economic integration include: deficiencies in human and institutional capacity; a lack of clarity and coherence in domestic policies; and inadequate information on which to base decision-making. Countries participating in the programme are expected to become equipped to monitor policy implementation and evaluate the impact of policy changes on sustainable human development.

27. The Global Resource Facility will link the relevant UNCTAD and UNDP divisions and provide a basis for more extensive cooperation with other organizations, academia, the business sector and civil society. At the international level, the programme will also: identify and share best practices in sustainable human development in various countries; monitor economic growth and

poverty; help coordinate international technical assistance programmes relevant to globalization; help develop a network of universities, policy think-tanks, management schools and other groups to advise the private sectors and Governments of the participating countries; and disseminate policy lessons from these countries through workshops and seminars.

28. UNCTAD participates in the United Nations Development Group, which is convened by the Administrator of UNDP on a continuous basis. It will be recalled that in its resolution 53/192, entitled "Triennial policy review of operational activities for development of the United Nations system", adopted on 1 December 1998, the General Assembly, *inter alia*, stressed the need to ensure the full and active participation of the funds and programmes and specialized agencies of the United Nations system in the preparation of the United Nations Development Assistance Framework, which is a planning framework that reflects common areas of programme action responding to national development priorities and needs. It further provides the starting point for the development of the individual country programmes of United Nations funds and programmes in an integrated, complementary and coherent manner. Since UNCTAD and a number of other specialized agencies and United Nations programmes do not have a permanent field presence at the country level, modalities are being devised in the Development Group for their more effective participation and contribution to the process, including in the elaboration of the Common Country Assessment.

IV. UTILIZATION OF CAPACITIES OF DEVELOPING COUNTRIES

29. The Board, in its decision 455 (XLV), has urged the secretariat to make maximum use of capacities from developing countries, including local and regional expertise, in the implementation of technical cooperation. The following paragraphs provide some background information on the matter, utilizing data on personnel contracts for 1997 and 1998.

30. The main principles guiding United Nations personnel policy, including recruitment, are contained in Article 101 of the Charter of the United Nations, according to which the paramount consideration in the employment of staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity, with due regard being paid to the importance of recruiting the staff on as wide a geographical basis as possible. The policy for recruiting project personnel for technical cooperation activities is based on the same principles and is subject to the same scrutiny. These principles are in effect throughout the United Nations system; they govern not only UNCTAD's recruitment practices but also those of all executing agencies of the system.

31. To meet the broad range of requirements of developing countries, UNCTAD recruits a variety of categories of project personnel, including: (a) internationally recruited professional personnel; (b) nationally recruited project personnel; (c) United Nations volunteers; (d) associate

experts; and (e) support personnel. Each of these categories has its own administrative procedure, specific financial implications, different contracts and different responsibilities. All project personnel are designated to provide specific skills to supplement the regular inputs by the Government concerned to projects to enhance the self-reliance of government institutions as defined in the project document or in the terms of reference.

32. In UNCTAD, the substantive and administrative responsibility for all project personnel, including recruitment, rests with the substantive division concerned and the Resources Management Service. The recruitment process is initiated by a search on the relevant roster on the basis of an approved job description and within the schedule established in the work plan of the project document. The search usually includes international candidates, regardless of their nationality, of whom the most qualified (more than one candidate) are submitted for the Government's final decision on the most suitable candidate. The candidate chosen by the Government is usually recruited, unless he or she is no longer available.

33. In order to recruit technical cooperation personnel rapidly and effectively, UNCTAD maintains a comprehensive and updated roster of suitable candidates. It has had good relationships with national recruitment services and other national recruitment sources in both developing and developed countries, which enable it to maintain and update the roster. UNCTAD intends to invite private and public recruitment agencies in developing countries to assist in revamping the roster to expand its geographical coverage.

34. Recruitment of project personnel by UNCTAD is carried out on the basis of specific and detailed job descriptions, which are prepared in connection with project documents and refined as necessary. They are approved along with the project document of a specific project by the Government and the funding agency concerned. Such job descriptions are quite specific about the level and type of duties to be performed. Qualification requirements and standards of competence are the same for the recruitment of all project personnel regardless of their nationality.

35. A glance at the number of contracts awarded to experts from developed countries may be misleading if it is not put into its proper context. The concentration of experts in a few developed countries (see table 6) reflects the degree of specialization and the technical nature of some of our technical cooperation activities. Those like DMFAS and ASYCUDA are very sophisticated programmes that involve the training of nationals in highly specialized software programmes. Some progress has been made in recent years and there are instances where trained national staff have been recruited for short periods to assist countries from the same region with their newly acquired expertise. This type of recruitment has to be carried out with the utmost care, since regular recourse to these experts may lead to their permanent separation from the services of their Governments, where they are also badly needed.

Table 6
Project personnel contracts, by nationality

Country	1997			1998		
	Number of contracts	Percentage		Number of contracts	Percentage	
		Total contracts (523)	All developed countries (313)		Total contracts (514)	All developed countries (324)
United Kingdom	76	14.5	24.3	84	16.3	26.0
France	58	11.1	18.5	72	14.0	22.2
United States	35	6.7	11.2	32	6.2	9.8
Italy	10	1.9	3.2	19	3.7	5.9
Belgium	19	3.6	6.1	16	3.1	4.9
Canada	21	4.0	6.7	16	3.1	4.9
Ireland	3	0.5	0.9	11	2.1	3.4
Switzerland	8	1.5	2.6	11	2.1	3.4
Eight countries total	*230*	*44.0*	*73.5*	*261*	*51.0*	*80.1*
All developed countries	313	59.8	100.0	324	63.0	100.0
Rest of the world	210	40.2	-	190	37.0	-
Total	**523**			**514**		

36. With these preliminary observations in mind, the recruitment of experts and consultants has been concentrated in a few developed countries because their markets have offered the best opportunities for the speedy recruitment of suitable experts. Efforts have been made to recruit from other countries and regions but such recruitment has proved slow and difficult as several countries have special procedures for the release of their employees, especially those at the expert level, who usually occupy important posts and whose release requires special authorization. It has also proved difficult to recruit from developing countries because of the lack of suitable candidates. Indeed, while the markets where recruitment is concentrated are characterized by an abundance of suitable and available experts, the markets of other countries and regions usually lack that abundance and this in turn limits the competences or skills offered by experts and makes their selection more difficult. We have to bear in mind that the bulk of our technical cooperation programmes are based on short-term consultancies rather than long-term appointments and that the urgency of recruitment is usually more pronounced in the case of the short-term consultancies than in the case of long-term appointments. We also have to bear in mind that our recruitment of project personnel is based on the need for certain minimum acceptable qualities which are necessary for adequate performance of the job and the accomplishment of specified objectives.

37. This being said, in 1998 the technical cooperation programme issued a total of 514 contracts to experts from all over the world. The trend in recruitment in 1998, as in previous years, reflects the above-mentioned points. There is a pronounced concentration of recruitment in developed countries, which received 63 per cent of all contracts offered in 1998. Eight countries (Belgium, Canada, France, Ireland, Italy, Switzerland, the United Kingdom and the United States) received 51 per cent of all contracts and no less than 80 per cent of the contracts received by all developed countries. The rest of the world accounted for 37 per cent of all contracts. These figures are little changed from those of 1997, when consultants or experts from developed countries accounted for 59.8 per cent of all contracts, and the eight above-mentioned countries represented 73.5 per cent of those, or 44 per cent of the total number of contracts. In 1997, the rest of the world received 40.2 per cent of all contracts, which was almost equivalent to the share of the eight developed countries.

V. FINANCIAL SUSTAINABILITY OF SELECTED TECHNICAL COOPERATION PROGRAMMES

38. In accordance with paragraph 13 of decision 455 (XLV) of the Trade and Development Board, the Working Party on the Medium-term Plan and the Programme Budget, at its thirty-third session, in January 1999, reviewed proposals for partial cost recovery for selected UNCTAD technical cooperation programmes (ACIS, ASYCUDA and DMFAS). The Working Party agreed that the financial sustainability of the three programmes would be based on: (a) programme budget resources; (b) programme support resources; (c) extrabudgetary resources from donors; and (d) annual maintenance fees.

39. The Working Party also agreed that the precise arrangements for annual maintenance fees required further consideration prior to their introduction. To that end, the Working Party requested the secretariat to refine the calculations on which the level of maintenance fees would be based, by undertaking, on a pilot basis, cost accounting for each programme in order to assess the actual level and composition of the central costs incurred by the secretariat, including in the provision of maintenance services.

40. The results of that exercise were communicated to the twenty-first executive session of the Trade and Development Board on 1 July 1999 and are included in document TD/B/EX(21)/CRP.1. Information on the steps taken by the secretariat to introduce cost accounting for the three programmes is contained in the above-mentioned document. The secretariat concluded its report by stressing that the data available so far from the pilot cost-accounting exercise were probably not sufficient to enable the Board to make a decision on the introduction of annual maintenance fees. The Board subsequently decided to request the Working Party to consider the matter at its thirty-fourth session on the basis of updated information to be supplied by the secretariat, and to report thereon to the Board at its forty-sixth session, in October 1999.

VI. ROLLING THREE-YEAR PLAN

41. UNCTAD IX, in paragraph 96 of "A Partnership for Growth and Development", invited the Trade and Development Board to consider annually an indicative, rolling three-year plan for technical cooperation.

42. The first rolling three-year technical cooperation plan for 1998–2000 (TD/B/EX/(16)/2) was prepared by the secretariat towards the end of 1997. Following a review by the Working Party, the Board approved the plan at its sixteenth executive session on 16 February 1998. Further to a decision adopted by the Board at its forty-fifth session, in October 1998 (decision 455 (XLV)), the secretariat prepared the second rolling three-year technical cooperation plan in a simplified format for 1999–2001. UNCTAD's technical cooperation plan for 1999–2001 (TD/B/WP/112) was presented to the Working Party at its resumed thirty-second session on 10 December 1998. The Working Party, at its thirty-third session, held in January 1999, requested the secretariat to revise the plan, taking into account comments by delegations, and to transmit it to the twentieth executive session of the Trade and Development Board. Following this request, the secretariat revised the plan and presented it in a simplified version in TD/B/EX(20)/3 - TD/B/WP/112/Rev.1 at the twentieth executive session of the Trade and Development Board, which took note of it.

43. The rationale behind the introduction of a three-year plan was the need for greater predictability and transparency of UNCTAD's technical cooperation (see document TD/B/43/7 of August 1996 in this regard). It was thought that the exercise would benefit both beneficiaries and donors, as well as improve the working methods of the secretariat. Rolling plans would help in

determining priorities in technical cooperation and in highlighting issues requiring the Board's attention and follow-up.

44. Efforts undertaken by the secretariat in the preparation of the plans have so far yielded mixed results. The amount of energy and time invested in this exercise by the secretariat does not appear to be commensurate with the benefits donors and beneficiaries were expecting. A number of factors affect the quality and relevance of the exercise, given the particular context of UNCTAD's technical cooperation, including the lack of assurances about the availability of resources and the demand-driven nature of the services provided. This has resulted in a list of proposals and financial requirements, without an indication of priorities, based on requests and interests expressed by potential beneficiary countries.

45. On the positive side, it has contributed to enhancing transparency and has highlighted the resource gap between financial availability and need. However, this did not result in enhancing the Board's ability to bridge this gap, as had been expected.

46. In view of the above, the secretariat would suggest that the presentation of future three-year plans should be further simplified. In particular, the information provided on pipeline and proposed projects could be limited. Information on current ongoing activities is provided in the annual report on technical cooperation. Focusing on proposed activities would contribute to enhancing transparency with respect to beneficiaries' needs and would facilitate discussions with potential donors on the mobilization of the necessary extrabudgetary resources to implement the plan. It is furthermore suggested that the preparation of the next three-year plan (2000-2002) should be postponed until after UNCTAD X has taken place in February 2000, in order to reflect the outcome of the Conference in the plan.

VII. OTHER MATTERS

A. Evaluation of the Trade Point Programme

47. The Trade and Development Board decided at its forty-fourth session to undertake an in-depth evaluation of the Trade Point Programme. In response to this request, an independent evaluation team was mandated by the UNCTAD secretariat to prepare the study. The report (TD/B/WP/110 and Add.1) was submitted for consideration at the second part of the the thirty-second session of the Working Party on the Medium-term Plan and the Programme Budget. After reviewing the study, the Working Party drew a number of broad conclusions for the future orientation of the Trade Point Programme, as reflected in the agreed conclusions adopted at its thirty-third session (TD/B/WP 115). In the same agreed conclusions, the Working Party decided to invite the Secretary-General of UNCTAD to seek advice, in particular from Trade Point managers and end-users of Trade Points, on "the proposals to be made by the secretariat with

respect to the implementation of the recommendations contained in the evaluation report, and to advise on future actions aimed at enhancing programme delivery, especially with regard to the assistance to be provided to the Trade Points". Trade Point managers, end-users of Trade Points and government experts acting in their personal capacity met in Geneva from 26 to 28 May 1999 to review the secretariat's proposals. Their conclusions have been transmitted for consideration at the fourth session of the Commission on Enterprise, Business Facilitation and Development.

48. Also at its thirty-third session, the Working Party decided, in paragraph 9 of its agreed conclusions on the in-depth evaluation, to invite the secretariat to prepare a Trade Point Programme strategy for further consideration by the Working Party, paying particular attention to the content of the evaluation report and to the deliberations of the Working Party thereon. This strategy should contain proposals on the financial and technical feasibility of the implementation of the recommendations contained in the report. In the same paragraph, the Working Party further requested the secretariat "to prepare a comprehensive report detailing all the activities undertaken to implement various mandates entrusted to it since the inception of the Trade Point Programme". The strategy and the related report are before the thirty-fourth session of the Working Party.

B. UNCTAD's programme on a possible multilateral framework for investment

49. Prepared by an independent, outside, evaluation team, the evaluation report on the programme on a possible multilateral framework for investment (MFI)[1] concludes that in qualitative terms the programme was timely and had a novel orientation in areas where UNCTAD has a long-standing reputation and expertise. Its concept was well defined and the selection of activities was logical. The technical papers produced were of a high standard both in terms of quality and presentation. However, they need to be more practical in future. The regional symposia responded to the needs and expectations of the end-users. Participants considered the topics important, the depth and technical content of presentations good, the technical papers distributed adequate and the organization excellent. The impact of regional symposia was in general positive but could be improved by concentrating on fewer topics of special interest to the audience, including specific regional issues. The concept and design of the "Geneva seminars" were appropriate although the seminars could have been improved by concentrating on specific topics and allowing more time for discussions and questions. Overall, cooperation between the UNCTAD secretariat and the cooperating and co-sponsoring organizations, in particular WTO and national organizers, has been excellent.

50. As to the quantitative dimension, the evaluation indicates a significant under-implementation when judged against the original objectives. As at 30 June 1999, the project had achieved a delivery rate of 33 per cent in the area of the technical papers on a possible MFI (eight had been issued),

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[1] Copies of the evaluation report may be obtained from the UNCTAD Programme, Planning and Assessment Unit.

57 per cent in the area of regional symposia (four events had been held), 60 per cent in the area of Geneva seminars (three events had been held) and 33 per cent in the area of training. Nevertheless, the report recognizes that the secretariat has, in view of the time and resources available, made a remarkable effort and should, with a project extension of six months, be in a position to complete the programme.

51. The evaluation report recommends that the project on a possible MFI be completed and continued despite a number of shortcomings as it is of considerable importance for the great majority of developing countries in all regions. The report further suggests that the overall project budget be revised in light of the under-implementation and funds be reallocated to priority areas (finalization of technical papers, organization of regional seminars and intensive training). On the other hand, it recommends that the Geneva seminars in their current form should be discontinued.